

S E C R E T

DCI BRIEFING

16 May 1961

BLOC POLICY TOWARD CUBA

- I. The most important result of the Cuban affair, in bloc eyes, was the opportunity to put the US on the defensive throughout the world.
 - A. While bloc leaders would like to turn the Cuban victory to good account in some other areas, they may also fear that this is a dangerous time in which to push the US too far.
 - B. Moscow probably views the episode as a situation offering obvious advantages for short-term exploitation, but not at the cost of damaging prospects for advancing higher-priority Soviet aims.
 1. Khrushchev took a generally moderate line on US-Cuban relations in his speeches in Armenia on 7 and 8 May, suggesting that he does not wish to jeopardize future Soviet-American relations.
 - C. The Chinese Communists, however, probably judge that the rebel landings confirm their thesis that imperialism is incorrigible and they may now renew their pressures on Moscow for a generally harder bloc line.
 1. An official note from Peiping on 12 May pledged general support to the Castro regime and sharply attacked the US.

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- II. We believe the Soviet leaders will be extremely careful about undertaking any more binding commitments to defend the Castro regime.
- A. Moscow probably will provide increased economic and military assistance to Cuba but seek to avoid any further involvement of its own prestige with Castro's survival.
 - B. We doubt very much that Khrushchev will attempt to convert Cuba into a Soviet military base. Such action would, in Moscow's view, give the US a highly convenient pretext for direct action to destroy Castro.
- III. Moscow has been circumspect and noncommittal in regard to Castro's claim that Cuba has entered the "era of socialist construction."
- A. USSR is reluctant to repudiate Castro's claim but unwilling to embrace his regime as a full-fledged member of the bloc.
 - B. Khrushchev on 7 May stated that "Cuba has declared that it has entered the path of constructing socialism," However, he stopped short of identifying Cuba as part of the socialist camp.
 - C. It seems unlikely that the Soviet leaders are anxious to see the emergence of a Caribbean "peoples' democracy" in the shadow of US military and naval power. Any move to acknowledge Cuba as a bloc member would, in Moscow's view, carry the obligation to defend Castro against any attempts to overthrow him.

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- IV. Moscow's efforts to strengthen Castro, short of such an obligation, continue. Since mid-1960 Communist economic and military support for Castro regime has mounted steadily.
- A. Bloc military aid sufficient for Castro to survive any outside attack except for a full-scale invasion by superior military forces.
 - B. Bloc trade and aid now an essential feature of the Cuban scene and of critical importance to the regime.
 - 1. Cuba depending chiefly on bloc as source of supply and as market for at least two thirds of its exports.
 - 2. Plans for industrialization rest almost solely on procurement of large-scale bloc material and technical assistance.
 - C. Problems of changeover to bloc goods considerable but not insurmountable.
 - 1. The shortage of spare parts for Cuba's Western-oriented industrial establishment to be solved by re-equipping island with bloc goods.
 - 2. The bloc has demonstrated willingness to make great efforts on behalf of Cuba and these efforts should prove adequate to prevent economic collapse.
- V. Bloc has supplied more than 40,000 tons of arms to Cuba with estimated value between \$50 and \$100 million. More possibly now on way. We hope to know what and how much soon.

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- A. Bloc military deliveries have consisted almost entirely of land armaments, including medium and heavy tanks, assault guns, artillery, large numbers of military vehicles, and ample quantities of small arms and ammunition. See attached table.
 - B. No naval equipment yet.
 - C. Bloc aircraft in Cuba include helicopters, piston trainers, and single-engine biplanes for agricultural and utility work.
 - 1. Cuban pilots training in the bloc and MIG jet fighters probably to be delivered before end of year.
 - D. Estimated 200 bloc military technicians working in Cuba.
 - 1. Have assembled and installed equipment and are serving as instructors and advisors to individual military units.
 - E. Further military support likely but bloc in all probability will not supply nuclear armaments, missiles, or other types of strategic weapons.
- VI. Since summer of 1960 bloc deliveries to Cuba have grown steadily in volume and variety, with large numbers of bloc and bloc-chartered vessels constantly in Cuban waters.
- A. USSR has been providing all Cuba's petroleum imports since last July at considerable trouble and expense to itself.
 - 1. 1961 commitment for some 4,000,000 tons.
 - 2. Current deliveries more than adequate and apparently too great for Cuba's refining and storage capacity.

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- B. Bloc also supplying growing quantities of industrial machinery and equipment, motor vehicles, metals, wheat, fertilizers, and even variety of consumer goods.
- C. Communist China, despite severe domestic food shortages, is delivering rice, corn, meat, and made at least one shipment of Chinese-produced trucks.
- D. Regime acknowledges serious shortages, but flow of imports from bloc should provide sufficient goods and services to sustain economy over the long run.

VII. Communist trade with Cuba rests on bloc's willingness to accept unusually large quantities of sugar in return for political advantages derived from having Castro & Co. in power.

- A. Cubans estimate bloc will account for 75 percent of total Cuban trade in 1961.
- B. Moscow and its allies committed to take 4,000,000 tons of Cuban sugar in 1961 or more than two thirds of Cuba's anticipated crop.
 - 1. Price of 4 cents a pound is about 30 percent above world market price but still well below premium Cuba received from US.
 - 2. Total sugar deal, worth around \$360 million, to be repaid chiefly in goods, thus limiting Cuba's hard currency earnings and tying economy closely to bloc.
 - 3. Rate of current sugar shipments indicates bloc fulfilling commitments.

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VIII. Eight bloc countries have extended long-term credits to Cuba totaling more than \$245 million.

- A. Only a few bloc projects under way, but extensive surveys made and plans laid for more than 150 separate undertakings ranging from a steel mill to a nail factory.
 - 1. Most of promised projects are small-scale installations to produce tools, consumer goods, and other products formerly imported from the US.
 - 2. The USSR to build steel mill and oil refinery.
 - 3. Czechoslovakia to develop Cuban motor vehicle industry using facilities of former General Motors plant.
 - 4. Communist China is to construct some 24 factories.
- B. Steady influx of bloc economic technicians to Cuba in progress since last year, with nearly 200 currently at work.
 - 1. In addition, steady stream of personnel from bloc come and go on short-term assignments.
 - 2. Bloc technicians have conducted overall surveys of Cuban economy and specific industry studies in connection with planned aid projects.
 - 3. Also employed as advisors in most departments of government in positions exerting powerful influence over entire island.

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